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AMENDED IN ASSEMBLY APRIL 30, 2007
AMENDED IN ASSEMBLY APRIL 12, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 402

Introduced by Assembly Member Ma

February 15, 2007

An act to amend ~~Sections 63.1, 65.1, and 482 of~~ *Section 63.1 of, and to add Section 480.8 to*, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 402, as amended, Ma. Property taxation: change in ownership.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution excludes from a “change in ownership” specified property transfers of a principal residence and the first \$1,000,000 of the value of other real property between parents and their children, as defined by the Legislature. Existing property tax law implementing this constitutional exclusion generally defines “children” as a child born of the parent or parents, stepchildren, sons-in-law and daughters-in-law, and adopted children. Existing law requires those seeking this exclusion to file a claim therefor, and requires that parts of this claim be made under penalty of perjury.

This bill would specify, for purposes of this change in ownership exclusion, that “children” also includes a foster child, as provided. This bill would prohibit the exclusion of a purchase or transfer of a principal residence from a foster child to the child’s biological parent if the transferor child received that principal residence, or interest therein, from a foster parent through a purchase or transfer that was previously excluded. This bill would also require a person claiming the exclusion established by the bill to provide legal substantiation regarding the foster child status of the child, as specified. By changing the manner in which county officials administer this change in ownership exclusion, this bill would impose a state-mandated local program. This bill would also impose a state-mandated local program by expanding the definition of the crime of perjury by adding a new class of people who must file the exclusion claim under penalty of perjury.

Existing law requires property owners to report changes in ownership to, as applicable, the county assessor or the State Board of Equalization, and imposes penalties for failing to provide these reports. Existing law specifies that when an interest in a portion of real property, other than real property held in joint tenancy, is purchased or changes ownership, only the interest or portion transferred is reappraised at its full cash value. Existing property tax law specifies that if a unit or lot within a cooperative housing corporation, community apartment project, condominium, planned unit development, shopping center, industrial park, or other residential, commercial, or industrial land subdivision complex with common areas or facilities is purchased or changes ownership, then only the unit or lot transferred and the share in the common area reserved as an appurtenance of the unit or lot is reappraised.

This bill would require, upon a *written* request by the county assessor, the owners of a cooperative housing corporation, community apartment project, condominium, planned unit development, or other residential subdivision complex, with units or lots consisting of specified dwellings and with common areas or facilities, that transfer ownership interests without utilizing recorded deeds to file a specified report describing the property with the assessor. If the owners fail to file this report, this bill would *authorize the assessor to send a change in ownership statement to every owner, tenant shareholder, lessee, or occupant of each individual lot. If this statement is not filed, this bill would impose the same penalty as is imposed under existing law for failing to report a change in ownership to the assessor.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 63.1 of the Revenue and Taxation Code
2 is amended to read:
3 63.1. (a) Notwithstanding any other provision of this chapter,
4 a change in ownership shall not include the following purchases
5 or transfers for which a claim is filed pursuant to this section:
6 (1) (A) The purchase or transfer of real property which is the
7 principal residence of an eligible transferor in the case of a purchase
8 or transfer between parents and their children.
9 (B) A purchase or transfer of a principal residence from a foster
10 child to the child's biological parent shall not be excluded under
11 subparagraph (A) if the transferor child received that principal
12 residence, or interest therein, from a foster parent through a
13 purchase or transfer that was excluded under subparagraph (A).
14 (2) The purchase or transfer of the first one million dollars
15 (\$1,000,000) of full cash value of all other real property of an
16 eligible transferor in the case of a purchase or transfer between
17 parents and their children.

(3) (A) Subject to subparagraph (B), the purchase or transfer of real property described in paragraphs (1) and (2) of subdivision (a) occurring on or after March 27, 1996, between grandparents and their grandchild or grandchildren, if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer. Notwithstanding any other provision of law, for the lien date for the 2006–07 fiscal year and each fiscal year thereafter, in determining whether “all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer,” a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1) of subdivision (a). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (2) of subdivision (a) and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence shall be included in applying, for purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling for which a homeowners’ exemption or a disabled veterans’ residence exemption has been granted in the name of the eligible transferor. “Principal residence” includes only that portion of the land underlying the principal residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor’s interest was received through a transfer,

or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this paragraph involving two or more eligible transferors, the transferors may elect to combine their separate one-million-dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor's separate unused exclusion on the date of the joint sale or transfer.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children. For purposes of this section, the date of any transfer between parents and their children under a will or intestate succession shall be the date of the decedent's death, if the decedent died on or after November 6, 1986.

(2) "Purchase or transfer of real property between grandparents and their grandchild or grandchildren" means a purchase or transfer on or after March 27, 1996, from a grandparent or grandparents to a grandchild or grandchildren if all of the parents of that grandchild or those grandchildren who qualify as the children of the grandparents are deceased as of the date of the transfer. For purposes of this section, the date of any transfer between grandparents and their grandchildren under a will or by intestate succession shall be the date of the decedent's death. Notwithstanding any other provision of law, for the lien date for the 2006-07 fiscal year and each fiscal year thereafter, in determining whether "all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer," a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(3) "Children" means any of the following:

1 (A) Any child born of the parent or parents, except a child, as
2 defined in subparagraph (D), who has been adopted by another
3 person or persons.

4 (B) Any stepchild of the parent or parents and the spouse of that
5 stepchild while the relationship of stepparent and stepchild exists.
6 For purposes of this paragraph, the relationship of stepparent and
7 stepchild shall be deemed to exist until the marriage on which the
8 relationship is based is terminated by divorce, or, if the relationship
9 is terminated by death, until the remarriage of the surviving
10 stepparent.

11 (C) Any son-in-law or daughter-in-law of the parent or parents.
12 For the purposes of this paragraph, the relationship of parent and
13 son-in-law or daughter-in-law shall be deemed to exist until the
14 marriage on which the relationship is based is terminated by
15 divorce, or, if the relationship is terminated by death, until the
16 remarriage of the surviving son-in-law or daughter-in-law.

17 (D) Any child adopted by the parent or parents pursuant to
18 statute, other than an individual adopted after reaching the age of
19 18 years.

20 (E) Any foster child of a state-licensed foster parent, if that child
21 was not eligible for adoption by the foster parent or foster parents
22 before the child aged out of the foster care system. For purposes
23 of this paragraph, the relationship between a foster child and foster
24 parent shall be deemed to exist until terminated by death.

25 (4) “Grandchild” or “grandchildren” means any child or children
26 of the child or children of the grandparent or grandparents.

27 (5) “Full cash value” means full cash value, as defined in Section
28 2 of Article XIII A of the California Constitution and Section 110.1,
29 with any adjustments authorized by those sections, and the full
30 value of any new construction in progress, determined as of the
31 date immediately prior to the date of a purchase by or transfer to
32 an eligible transferee of real property subject to this section.

33 (6) “Eligible transferor” means a grandparent, parent, or child
34 of an eligible transferee.

35 (7) “Eligible transferee” means a parent, child, or grandchild
36 of an eligible transferor.

37 (8) “Real property” means real property as defined in Section
38 104. Real property does not include any interest in a legal entity.

39 (9) “Transfer” includes, and is not limited to, any transfer of
40 the present beneficial ownership of property from an eligible

1 transferor to an eligible transferee through the medium of an inter
2 vivos or testamentary trust.

3 (10) “Social security number” also includes a taxpayer
4 identification number issued by the Internal Revenue Service in
5 the case in which the taxpayer is a foreign national who cannot
6 obtain a social security number.

7 (d) (1) The exclusions provided for in subdivision (a) shall not
8 be allowed unless the eligible transferee, the transferee’s legal
9 representative, or the executor or administrator of the transferee’s
10 estate files a claim with the assessor for the exclusion sought and
11 furnishes to the assessor each of the following:

12 (A) A written certification by the transferee, the transferee’s
13 legal representative, or the executor or administrator of the
14 transferee’s estate, signed and made under penalty of perjury that
15 the transferee is a grandparent, parent, child, or grandchild of the
16 transferor and that the transferor is his or her parent, child, or
17 grandparent. In the case of a grandparent-grandchild transfer, the
18 written certification shall also include a certification that all the
19 parents of the grandchild or grandchildren who qualify as children
20 of the grandparents were deceased as of the date of the purchase
21 or transfer and that the grandchild or grandchildren did or did not
22 receive a principal residence excludable under paragraph (1) of
23 subdivision (a) from the deceased parents, and that the grandchild
24 or grandchildren did or did not receive real property other than a
25 principal residence excludable under paragraph (2) of subdivision
26 (a) from the deceased parents. The claimant shall provide legal
27 substantiation of any matter certified pursuant to this subparagraph
28 at the request of the county assessor.

29 (B) A written certification by the transferor, the transferor’s
30 legal representative, or the executor or administrator of the
31 transferor’s estate, signed and made under penalty of perjury that
32 the transferor is a grandparent, parent, or child of the transferee
33 and that the transferor is seeking the exclusion under this section
34 and will not file a claim to transfer the base year value of the
35 property under Section 69.5.

36 (C) A written certification shall also include either or both of
37 the following:

38 (i) If the purchase or transfer of real property includes the
39 purchase or transfer of residential real property, a certification that

1 the residential real property is or is not the transferor's principal
2 residence.

3 (ii) If the purchase or transfer of real property includes the
4 purchase or transfer of real property other than the transferor's
5 principal residence, a certification that other real property of the
6 transferor that is subject to this section has or has not been
7 previously sold or transferred to an eligible transferee, the total
8 amount of full cash value, as defined in subdivision (c), of any
9 real property subject to this section that has been previously sold
10 or transferred by that transferor to eligible transferees, the location
11 of that real property, the social security number of each eligible
12 transferor, and the names of the eligible transferees of that property.

13 (D) If there are multiple transferees, the certification and
14 signature may be made by any one of the transferees, if both of
15 the following conditions are met:

16 (i) The transferee has actual knowledge that, and the certification
17 signed by the transferee states that, all of the transferees are eligible
18 transferees within the meaning of this section.

19 (ii) The certification is signed by the transferee as a true
20 statement made under penalty of perjury.

21 (E) In the case of a transfer between a foster parent and foster
22 child, the claim filed with the assessor shall include a certified
23 copy of the court decision regarding the foster child status of the
24 individual and a certified statement from the appropriate county
25 agency stating that the foster child was not adoptable by the foster
26 parent or foster parents. Upon a request by the county assessor,
27 the claimant also shall provide to the assessor legal substantiation
28 of any matter certified under this subparagraph.

29 (2) If the full cash value of the real property purchased by or
30 transferred to the transferee exceeds the permissible exclusion of
31 the transferor or the combined permissible exclusion of the
32 transferors, in the case of a purchase or transfer from two or more
33 joint transferors, taking into account any previous purchases by
34 or transfers to an eligible transferee from the same transferor or
35 transferors, the transferee shall specify in his or her claim the
36 amount and the allocation of the exclusion he or she is seeking.
37 Within any appraisal unit, as determined in accordance with
38 subdivision (d) of Section 51 by the assessor of the county in which
39 the real property is located, the exclusion shall be applied only on

1 a pro rata basis, however, and shall not be applied to a selected
2 portion or portions of the appraisal unit.

3 (e) (1) The State Board of Equalization shall design the form
4 for claiming eligibility. Except as provided in paragraph (2), any
5 claim under this section shall be filed:

6 (A) For transfers of real property between parents and their
7 children occurring prior to September 30, 1990, within three years
8 after the date of the purchase or transfer of real property for which
9 the claim is filed.

10 (B) For transfers of real property between parents and their
11 children occurring on or after September 30, 1990, and for the
12 purchase or transfer of real property between grandparents and
13 their grandchildren occurring on or after March 27, 1996, within
14 three years after the date of the purchase or transfer of real property
15 for which the claim is filed, or prior to transfer of the real property
16 to a third party, whichever is earlier.

17 (C) Notwithstanding subparagraphs (A) and (B), a claim shall
18 be deemed to be timely filed if it is filed within six months after
19 the date of mailing of a notice of supplemental or escape
20 assessment, issued as a result of the purchase or transfer of real
21 property for which the claim is filed.

22 (2) In the case in which the real property subject to purchase or
23 transfer has not been transferred to a third party, a claim for
24 exclusion under this section that is filed subsequent to the
25 expiration of the filing periods set forth in paragraph (1) shall be
26 considered by the assessor, subject to all of the following
27 conditions:

28 (A) Any exclusion granted pursuant to that claim shall apply
29 commencing with the lien date of the assessment year in which
30 the claim is filed.

31 (B) Under any exclusion granted pursuant to that claim, the
32 adjusted full cash value of the subject real property in the
33 assessment year described in subparagraph (A) shall be the adjusted
34 base year value of the subject real property in the assessment year
35 in which the excluded purchase or transfer took place, factored to
36 the assessment year described in subparagraph (A) for both of the
37 following:

38 (i) Inflation as annually determined in accordance with
39 paragraph (1) of subdivision (a) of Section 51.

1 (ii) Any subsequent new construction occurring with respect to
2 the subject real property.

3 (3) (A) Unless otherwise expressly provided, the provisions of
4 this subdivision shall apply to any purchase or transfer of real
5 property that occurred on or after November 6, 1986.

6 (B) Paragraph (2) shall apply to purchases or transfers between
7 parents and their children that occurred on or after November 6,
8 1986, and to purchases or transfers between grandparents and their
9 grandchildren that occurred on or after March 27, 1996.

10 (4) For purposes of this subdivision, a transfer of real property
11 to a parent or child of the transferor shall not be considered a
12 transfer to a third party.

13 (f) The assessor may report quarterly to the State Board of
14 Equalization all purchases or transfers, other than purchases or
15 transfers involving a principal residence, for which a claim for
16 exclusion is made pursuant to subdivision (d). Each report shall
17 contain the assessor's parcel number for each parcel for which the
18 exclusion is claimed, the amount of each exclusion claimed, the
19 social security number of each eligible transferor, and any other
20 information the board may require in order to monitor the
21 one-million-dollar (\$1,000,000) limitation in paragraph (2) of
22 subdivision (a). In recognition of the state and local interests served
23 by the action made optional in this subdivision, the Legislature
24 encourages the assessor to continue taking the action formerly
25 mandated by this subdivision.

26 (g) This section shall apply to both voluntary transfers and
27 transfers resulting from a court order or judicial decree. Nothing
28 in this subdivision shall be construed as conflicting with paragraph
29 (1) of subdivision (c) or the general principle that transfers by
30 reason of death occur at the time of death.

31 (h) (1) Except as provided in paragraph (2), this section shall
32 apply to purchases and transfers of real property completed on or
33 after November 6, 1986, and shall not be effective for any change
34 in ownership, including a change in ownership arising on the date
35 of a decedent's death, that occurred prior to that date.

36 (2) This section shall apply to purchases or transfers of real
37 property between grandparents and their grandchildren occurring
38 on or after March 27, 1996, and, with respect to purchases or
39 transfers of real property between grandparents and their
40 grandchildren, shall not be effective for any change in ownership,

1 including a change in ownership arising on the date of a decedent's
2 death, that occurred prior to that date.

3 (i) A claim filed under this section is not a public document and
4 is not subject to public inspection, except that a claim shall be
5 available for inspection by the transferee and the transferor or their
6 respective spouse, the transferee's legal representative, the
7 transferor's legal representative, and the executor or administrator
8 of the transferee's or transferor's estate.

9 ~~SEC. 2. Section 65.1 of the Revenue and Taxation Code is~~
10 ~~amended to read:~~

11 ~~65.1. (a) Except for a joint tenancy interest described in~~
12 ~~subdivision (f) of Section 62, when an interest in a portion of real~~
13 ~~property is purchased or changes ownership, only the interest or~~
14 ~~portion transferred shall be reappraised. A purchase or change in~~
15 ~~ownership of an interest with a market value of less than 5 percent~~
16 ~~of the value of the total property shall not be reappraised if the~~
17 ~~market value of the interest transferred is less than ten thousand~~
18 ~~dollars (\$10,000) provided, however, that transfers during any one~~
19 ~~assessment year shall be cumulated for the purpose of determining~~
20 ~~the percentage interests and value transferred.~~

21 ~~(b) (1) If a unit or lot within a cooperative housing corporation,~~
22 ~~community apartment project, condominium, planned unit~~
23 ~~development, shopping center, industrial park, or other residential,~~
24 ~~commercial, or industrial land subdivision complex with common~~
25 ~~areas or facilities is purchased or changes ownership, then only~~
26 ~~the unit or lot transferred and the share in the common area~~
27 ~~reserved as an appurtenance of such unit or lot shall be reappraised.~~
28 ~~Notwithstanding any other provision of law, the increase in~~
29 ~~property taxes resulting from such reappraisal shall be applied by~~
30 ~~the owner of such property to the tenant-shareholder, lessee, or~~
31 ~~occupant of such individual unit or lot only, and shall not be~~
32 ~~prorated among all other units or lots of such property.~~

33 ~~(2) If changes in ownership of a unit or lot of a cooperative~~
34 ~~housing corporation, community apartment project, condominium,~~
35 ~~planned unit development, or other residential subdivision complex~~
36 ~~with common areas or facilities occur without utilizing recorded~~
37 ~~deeds, the owners of the cooperative housing corporation,~~
38 ~~community apartment project, condominium, planned unit~~
39 ~~development, or other residential subdivision complex shall, upon~~
40 ~~a request by the county assessor, report all of the following to the~~

1 county assessor on or before the first February 1 that follows an
2 assessor request, and on or before each February 1 thereafter:

3 (A) The full name and mailing address of each owner,
4 stockholder, or holder of an ownership interest in the property and
5 a copy of the stock certificate, or other document that evidences
6 an interest in the unit or lot.

7 (B) The situs address, including the number, of each unit or lot.

8 (C) The date that an ownership interest in the property was
9 acquired and the acquisition price of that interest.

10 (3) (A) The reporting requirements described in paragraph (2)
11 apply to units or lots of residential property for which the individual
12 units or lots consist of dwellings that could be eligible for
13 homeowners' exemption if occupied as a principal place of
14 residence.

15 (B) Failure to comply with the reporting requirement described
16 in paragraph (2) shall result in the penalty described in subdivision
17 (a) of Section 482.

18 SEC. 3. Section 482 of the Revenue and Taxation Code is
19 amended to read:

20 482. (a) If a person or legal entity required to file a statement
21 described in Section 480 fails to do so within 45 days from the
22 date of a written request by the assessor, or if a person or legal
23 entity fails to timely provide the report described in paragraph (2)
24 of subdivision (b) of Section 65.1, a penalty of either: (1) one
25 hundred dollars (\$100), or (2) 10 percent of the taxes applicable
26 to the new base year value reflecting the change in ownership of
27 the real property or manufactured home, whichever is greater, but
28 not to exceed two thousand five hundred dollars (\$2,500) if the
29 failure to file was not willful, shall, except as otherwise provided
30 in this section, be added to the assessment made on the roll. The
31 penalty shall apply for failure to file a complete change in
32 ownership statement notwithstanding the fact that the assessor
33 determines that no change in ownership has occurred as defined
34 in Chapter 2 (commencing with Section 60) of Part 0.5. The penalty
35 may also be applied if after a request the transferee files an
36 incomplete statement and does not supply the missing information
37 upon a second request.

38 (b) If a person or legal entity required to file a statement
39 described in Section 480.1 or 480.2 fails to do so within 45 days
40 from the date of a written request by the State Board of

1 Equalization, a penalty of 10 percent of the taxes applicable to the
2 new base year value reflecting the change in control or change in
3 ownership of the real property owned by the corporation,
4 partnership, or legal entity, or 10 percent of the current year's taxes
5 on that property if no change in control or change in ownership
6 occurred, shall be added to the assessment made on the roll. The
7 penalty shall apply for failure to file a complete statement
8 notwithstanding the fact that the board determines that no change
9 in control or change in ownership has occurred as defined in
10 subdivision (e) or (d) of Section 64. The penalty may also be
11 applied if after a request the person or legal entity files an
12 incomplete statement and does not supply the missing information
13 upon a second request. That penalty shall be in lieu of the penalty
14 provisions of subdivision (a). However, the penalty added by this
15 subdivision shall be automatically extinguished if the person or
16 legal entity files a complete statement described in Section 480.1
17 or 480.2 no later than 60 days after the date on which the person
18 or legal entity is notified of the penalty.

19 (e) The penalty for failure to file a timely statement pursuant to
20 Sections 480, 480.1, and 480.2 for any one transfer may be imposed
21 only one time, even though the assessor may initiate a request as
22 often as he or she deems necessary.

23 (d) The penalty shall be added to the roll in the same manner
24 as a special assessment and treated, collected, and subject to the
25 same penalties for the delinquency as all other taxes on the roll in
26 which it is entered.

27 (1) When the transfer to be reported under this section is of a
28 portion of a property or parcel appearing on the roll during the
29 fiscal year in which the 45-day period expires, the current year's
30 taxes shall be prorated so the penalty will be computed on the
31 proportion of property which has transferred.

32 (2) Any penalty added to the roll pursuant to this section
33 between January 1 and June 30 may be entered either on the
34 unsecured roll or the roll being prepared. After January 1, the
35 penalty may be added to the current roll only with the approval of
36 the tax collector.

37 (3) If the property is transferred or conveyed to a bona fide
38 purchaser for value or becomes subject to a lien of a bona fide
39 encumbrancer for value after the transfer of ownership resulting
40 in the imposition of the penalty and before the enrollment of the

1 penalty, the penalty shall be entered on the unsecured roll in the
2 name of the transferee whose failure to file the change in ownership
3 statement resulted in the imposition of the penalty.

4 (e) ~~When a penalty imposed pursuant to this section is entered~~
5 ~~on the unsecured roll, the tax collector may immediately file a~~
6 ~~certificate authorized by Section 2191.3.~~

7 (f) ~~Notice of any penalty added to either the secured or~~
8 ~~unsecured roll pursuant to this section shall be mailed by the~~
9 ~~assessor to the transferee at his or her address contained in any~~
10 ~~recorded instrument or document evidencing a transfer of an~~
11 ~~interest in real property or manufactured home or at any address~~
12 ~~reasonably known to the assessor.~~

13 *SEC. 2. Section 480.8 is added to the Revenue and Taxation*
14 *Code, to read:*

15 *480.8. (a) (1) For purposes of complying with the change in*
16 *ownership provisions of Section 65.1 and subdivision (i) of Section*
17 *61, upon a written request of the county assessor, the owners of a*
18 *cooperative housing corporation, community apartment project,*
19 *condominium, planned unit development, or other residential*
20 *subdivision complex with common areas or facilities in which units*
21 *or lots are transferred without the use of recorded deeds, shall file*
22 *an ownership report on or before the first February 1 that follows*
23 *an assessor request, and on or before each February 1 thereafter.*
24 *The ownership report shall include all of the following information:*

25 *(A) The full name and mailing address of each owner,*
26 *stockholder, or holder of an ownership interest in the property*
27 *and a copy of the stock certificate, or other document that*
28 *evidences an interest in the unit or lot. Copies of stock certificates*
29 *and other documents evidencing an interest in an individual unit*
30 *or lot that were provided to the county assessor in a previous*
31 *ownership report are not required to be provided in subsequent*
32 *ownership reports.*

33 *(B) The situs address, including the number, of each unit or lot.*

34 *(C) The date that an ownership interest in the property was*
35 *acquired and the acquisition price of that interest.*

36 *(2) The ownership report described in paragraph (1) applies*
37 *to units or lots of residential property for which the individual*
38 *units or lots consist of dwellings that could be eligible for*
39 *homeowners' exemption if occupied as a principal place of*
40 *residence.*

1 **(b) (1)** *If the ownership report request described in subdivision*
2 *(a) is not complied with, the assessor may send a change in*
3 *ownership statement to every owner, tenant-shareholder, lessee,*
4 *or occupant of each individual unit or lot.*

5 **(2)** *Failure to file the change in ownership statement described*
6 *in paragraph (1) shall result in the penalty described in subdivision*
7 *(a) of Section 482 for each individual unit or lot that fails to*
8 *independently file the change in ownership statement.*

9 ~~SEC. 4.~~

10 **SEC. 3.** No reimbursement is required by this act pursuant to
11 Section 6 of Article XIII B of the California Constitution for certain
12 costs that may be incurred by a local agency or school district
13 because, in that regard, this act creates a new crime or infraction,
14 eliminates a crime or infraction, or changes the penalty for a crime
15 or infraction, within the meaning of Section 17556 of the
16 Government Code, or changes the definition of a crime within the
17 meaning of Section 6 of Article XIII B of the California
18 Constitution.

19 However, if the Commission on State Mandates determines that
20 this act contains other costs mandated by the state, reimbursement
21 to local agencies and school districts for those costs shall be made
22 pursuant to Part 7 (commencing with Section 17500) of Division
23 4 of Title 2 of the Government Code.

24 ~~SEC. 5.~~

25 **SEC. 4.** Notwithstanding Section 2229 of the Revenue and
26 Taxation Code, no appropriation is made by this act and the state
27 shall not reimburse any local agency for any property tax revenues
28 lost by it pursuant to this act.